

## **Schedule 12 - Insurances**

There are two parts to this Schedule 12:

- Part A — Insurances applicable to the D&C Phase; and
- Part B — Insurances during the O&M Phase.

*[State Note: The State in its discretion may procure any of the Insurances referred to in Part A and Part B of the Insurance Schedule after giving further consideration to the risk profile of the Project including following consideration of Proposals.]*

## Part A — Insurance applicable to the D&C Phase

Project Co must procure, or caused to be procured, and thereafter maintained, each of the Insurances with respect to the Project specified in this Part A for the applicable period of insurance. Each such Insurance must be procured and maintained upon the minimum terms specified in this Part A and clause 38 of this Agreement.

Summary of D&C Phase Insurances required:

- (a) Contract Works Insurance (Material Damage);
- (b) Contract Works Insurance (Public and Products Liability);
- (c) Contractors' Pollution Liability;
- (d) Contract Works Insurance (Advance Loss of Profits);
- (e) Plant and Equipment;
- (f) Marine Transit and Marine Transit (Delay in Start-Up);
- (g) Design and Construct Professional Indemnity Insurance;
- (h) Workers' Compensation Insurance; and
- (i) Motor Vehicle Insurance.

(a) **Contract Works Insurance (Material Damage)**

Insurance element	Minimum Requirement
Insured	Each of: <ul style="list-style-type: none"> <li>• Project Co;</li> <li>• Project Co's Associates;</li> <li>• the State;</li> <li>• the State's Associates;</li> <li>• the Security Trustee;</li> <li>• the D&amp;C Subcontractor; and</li> <li>• all Subcontractors and each other party which has an insurable interest or is required to be insured under any Project Document relating to the Works and the D&amp;C Activities.</li> </ul>
Sum insured	The full cost of reinstatement or replacement of the Works.
Scope of cover	Physical loss, destruction or damage to the Works. Insurance to include coverage at a minimum for the following: <ul style="list-style-type: none"> <li>• principal owned materials;</li> <li>• continuation of cover for any part of the Works handed over and put into use at any time prior to the Date of Stage One Completion;</li> <li>• specific tunnelling conditions as applicable;</li> <li>• offsite fabrication;</li> <li>• professional fees;</li> <li>• removal of debris;</li> <li>• expediting expenses;</li> <li>• temporary protection and/or loss mitigation expenses;</li> <li>• 15% contract price escalation;</li> <li>• inland transit and off-site storage;</li> <li>• subsidence/earth movement;</li> <li>• commissioning and testing of the Works; and</li> <li>• cover for loss of or damage to and the cost to rectify, replace or repair property which is free of defective materials, workmanship, design, plan, or specification but is damaged in consequence of other property which has defective materials, workmanship, design, plan or specification.</li> </ul> <p><i>[State Note: The State acknowledges that Project Co may elect to insure items of specialised plant and equipment under the contract works policy (rather than as required under section (e)), particularly if critical to meeting the Date of Stage One Completion.]</i></p>
Situation of risk	Anywhere in the Commonwealth of Australia, including whilst in transit (other than ocean marine transit) between any places therein.

Insurance element	Minimum Requirement
Maximum Deductibles	<ul style="list-style-type: none"><li data-bbox="488 293 991 331">• Tunnelling works - \$2,500,000.</li><li data-bbox="488 360 967 398">• All other works - \$1,000,000.</li></ul>
Additional requirements	The policy must be procured and maintained on a project specific basis.
Period of insurance	At all times during the D&C Phase.

(b) **Contract Works Insurance (Public and Products Liability)**

Insurance element	Minimum Requirement
Insured	Each of: <ul style="list-style-type: none"> <li>• Project Co;</li> <li>• Project Co Associates;</li> <li>• the State;</li> <li>• State's Associates;</li> <li>• the Security Trustee;</li> <li>• the D&amp;C Subcontractor; and</li> <li>• all Subcontractors and each other party which has an insurable interest or is required to be insured under any Project Document relating to the Works and the D&amp;C Activities.</li> </ul>
Sum insured	\$500,000,000 for any one occurrence or series of occurrences arising out of the same source or original cause in connection with the Works. Unlimited in the aggregate during the period of insurance but in the aggregate of all occurrences in any one period of insurance with respect to products and completed operations liability.
Scope of cover	Legal liability (including to counterparties) to pay compensation for personal injury and/or property damage caused by an occurrence during the period of insurance, where such occurrence: <ul style="list-style-type: none"> <li>• arises out of the Works and D&amp;C Activities; and</li> <li>• arises out of the occupation by any Insured of any part of the Works handed over and put into use at any time prior to the Date of Stage One Completion.</li> </ul>
Geographical Limits	Worldwide excluding USA and Canada.
Maximum Deductibles	\$1,000,000 any one occurrence.
Additional requirements	<ul style="list-style-type: none"> <li>• Cross liability clause;</li> <li>• Severability and non imputation clauses;</li> <li>• Worker to worker liability;</li> <li>• Pollution liability but only if caused by a sudden, accidental, unexpected and unintended occurrence;</li> <li>• On hook liability;</li> <li>• Bodily injury and /or property damage arising from an error or omission in design or specification or breach of professional duty;</li> <li>• Cover for mobile plant and equipment not required to be registered/used as a tool of trade (unless separate insurance procured for this exposure under another insurance policy); and</li> <li>• Cover for existing or other property (including any existing buildings) in the Insured's care, custody or control, but this may exclude the smallest component of property in the Insured's care custody or control being worked on.</li> </ul>

<b>Insurance element</b>	<b>Minimum Requirement</b>
Period of insurance	At all times during the D&C Phase.

(c) **Contractors' Pollution Liability**

Insurance element	Minimum Requirement
Insured	Each of: <ul style="list-style-type: none"> <li>• Project Co;</li> <li>• Project Co Associates;</li> <li>• the State;</li> <li>• State Associates;</li> <li>• the Security Trustee;</li> <li>• the D&amp;C Subcontractor; and</li> <li>• all Subcontractors and each other party which has an insurable interest or is required to be insured under any Project Document relating to the Works and the D&amp;C Activities.</li> </ul>
Sum insured	<ul style="list-style-type: none"> <li>• \$20,000,000 per pollution condition; and</li> <li>• \$20,000,000 in the aggregate.</li> </ul>
Scope of cover	For legal liability (including to counterparties) to pay compensation for death, personal injury, loss of or damage to third party property and clean up costs as a result of pollution conditions caused by the Works and D&C Activities.
Situation of risk	Anywhere in the Commonwealth of Australia.
Retroactive date	N/A
Maximum Deductibles	\$1,000,000
Premium	As tendered.
Additional requirements	<ul style="list-style-type: none"> <li>• Occurrence wording;</li> <li>• Completed operations extension (for a minimum of 6 years), to cover liability to pay compensation for personal injury or property damage which occurs at any time arising out or in connection with the Works and D&amp;C Activities;</li> <li>• Third party property damage for the assets of the State or any State Associate;</li> <li>• The policy must be procured and maintained on a project specific basis;</li> <li>• The policy must specifically cover:               <ul style="list-style-type: none"> <li>(a) sudden, accidental and gradual Pollution;</li> <li>(b) remediation costs;</li> <li>(c) liability connected with asbestos (including, liability for soil and groundwater pollution);</li> <li>(d) legal defence costs; and</li> <li>(e) biodiversity and natural resource damages;</li> </ul> </li> <li>• Cross liability clause; and</li> </ul>

<b>Insurance element</b>	<b>Minimum Requirement</b>
	• Severability and non imputation clauses.
Period of insurance	At all times during the D&C Phase.



(d) **Contract Works Insurance (Advance Loss of Profits)**

<b>Insurance element</b>	<b>Minimum Requirement</b>
Insured	Each of: <ul style="list-style-type: none"> <li>• Project Co; and</li> <li>• the Security Trustee.</li> </ul>
Level of cover	Not exceeding 14 Quarterly Services Payments (prior to any Abatement) and the net commercial revenue generated by Project over the 3.5 year period following the Date of Stage One Completion.
Scope of cover	Construction Works Insurance (Advance Loss of Profits) with respect to the risks of loss or damage to the Works or construction plant.
Situation of risk	Anywhere in the Commonwealth of Australia.
Maximum Deductibles	120 days.
Additional requirements	<ul style="list-style-type: none"> <li>• Nominated suppliers' premises extension;</li> <li>• Public utilities extension;</li> <li>• Prevention of access; and</li> <li>• Cover for additional increased costs of working.</li> </ul> The policy must be procured and maintained on a project specific basis.
Period of insurance	From the date of this Agreement until the Date for Stage One Completion.

**(e) Plant and Equipment Insurance**

Insurance element	Minimum Requirement
Insured	Each of: <ul style="list-style-type: none"> <li>• Project Co;</li> <li>• Project Co Associates;</li> <li>• the State;</li> <li>• State Associates;</li> <li>• the D&amp;C Subcontractor; and</li> <li>• all Subcontractors and each other party which has an insurable interest or is required to be insured under any Project Document relating to the Works and the D&amp;C Activities.</li> </ul>
Level of cover	Indemnity value of the respective plant or equipment used in connection with the Works.
Scope of cover	Damage or destruction for an indemnity value of the respective plant and equipment whether owned or hired by Project Co or the D&C Subcontractor used for the purposes of undertaking the Works.
Situation of risk	Anywhere in the Commonwealth of Australia.
Maximum deductibles	\$250,000
Additional requirements	<p><i>[State Note: The State acknowledges that Project Co may elect to insure items of specialised plant and equipment under the contract works policy (rather than as required under this section (e)), particularly if critical to meeting the Date of Stage One Completion.]</i></p>
Period of insurance	At all times during the D&C Phase

(f) **Marine Transit and Marine Transit (Delay in Start Up)**

Insurance element	Minimum Requirement
Insured	Each of: <ul style="list-style-type: none"> <li>• Project Co;</li> <li>• Project Co Associates;</li> <li>• the State;</li> <li>• State Associates;</li> <li>• the Security Trustee;</li> <li>• the D&amp;C Subcontractor; and</li> <li>• all Subcontractors and each other party which has an insurable interest or is required to be insured under any Project Document relating to the Works and the D&amp;C Activities.</li> </ul>
Level of cover	<p>Marine Transit</p> <p>Sum insured is a limit of indemnity equivalent to not less than the maximum total value of the Works or other property to be transferred in any one shipment, plus a provision for the costs of freight, insurance, taxes and duties as may be applicable.</p> <p>Marine Transit (Delay in Start Up)</p> <p>Sum insured representing the maximum delay to Stage One Completion following loss or damage to the property insured under the Marine Transit policy, with a minimum indemnity period of 12 months and 4 Quarterly Service Payments (prior to any Abatement).</p>
Scope of cover	<p>Unless covered under the Contract Works Insurance (Material Damage) in respect of the Works, a policy of Marine Transit Insurance open in respect to the shipment or carriage of the relevant items of imported property intended to be incorporated or used in connection with the Works or D&amp;C Activities.</p>
Situation of risk	Worldwide.
Maximum deductibles	<p>The first 45 days of the period of delay.</p> <p>10% of maximum limit of indemnity for any one shipment or \$100,000 whichever is the lesser.</p>
Period of insurance	<p>From the time of leaving the manufacturer or other place of original order in the country of origin until arrival at the Construction Areas.</p>

(g) **Design and Construct Professional Indemnity Insurance**

<b>Insurance element</b>	<b>Minimum Requirement</b>
Insured	The D&C Subcontractor.
Sum insured	Minimum coverage of \$50,000,000 for any one claim and in the aggregate for all claims during the period of insurance.
Scope of cover	Covering legal liability arising from an act, error or omission of the Insured in relation to the performance of each Insured's professional activities and duties in connection with the Works and D&C Activities.
Situation of risk	Anywhere in the Commonwealth of Australia.
Retroactive date	From the date of the Agreement.
Maximum Deductibles	\$1,000,000 any one claim.
Additional Requirements	<ul style="list-style-type: none"> <li>• Indemnity to Project Co as principal for its vicarious liability arising out of acts, errors and omissions of its Associates;</li> <li>• Contractual clauses between Project Co and any Subcontractor must not contain provisions which preclude recovery for breach of professional duty up to the limit of the insurance;</li> <li>• Include cover for construction defects as a result of error in design or specification; and</li> <li>• Severability and non-imputation clauses.</li> </ul>
Period of insurance	From Financial Close to 12 years after the Date of Stage One Completion.

(h) **Workers' Compensation Insurance**

Insurance element	Minimum Requirement
Insured	Each party is required to procure its own Workers' Compensation and Employer's Liability policy, in respect of its statutory obligations and otherwise as required by Law and commercial prudence.
Level of cover	As required by Law.
Risks covered	As required by Law.
Deductibles	As required by Law.
Additional requirements	N/A.
Period of cover	At all times during the D&C Phase.

(i) **Motor Vehicle Insurance**

Insurance element	Minimum Requirement
Insured	Each party is required to procure and maintain its own insurance for vehicles to be used in connection with the Works or the D&C Activities.
Level of cover	Minimum coverage of \$30,000,000 per occurrence and in the aggregate in respect of third party property damage.
Risks covered	Third party property damage in respect of all vehicles used in connection with the Works or D&C Activities.
Deductibles	As tendered.
Additional requirements	<ul style="list-style-type: none"> <li>• All motor vehicles must be registered currently for compulsory third party insurance as required by Law, if for use on public roads.</li> <li>• Policy must cover unregistered vehicles or vehicles used as a tool of trade unless covered under the Contract Works (Public and Products Liability) Insurance Policy.</li> </ul>
Period of cover	At all times during the D&C Phase.

## Part B — Insurance during the O&M Phase

Project Co must procure, or cause to be procured, and thereafter maintained each of the Insurances with respect to the Project specified in this Part B for the applicable period of Insurance. Each such Insurance must be procured and maintained upon the minimum terms specified in this Part B and clause 38 of this Project Agreement.

All amounts specified below in relation to Industrial Special Risks/Business Interruption Insurance, Public and Products Liability Insurance and Motor Vehicle Insurance will be Indexed in accordance with the Indexes Schedule.

In the event that the State reasonably believes that any minimum sum insured or sub-limit under this Agreement (as Indexed) no longer provides cover to the extent to which is insured against in the commercial insurance market for a similar project then:

- (a) the State and Project Co must attempt to agree on a revised minimum sum insured or sub-limit, with the intention that the revised minimum sum insured or sub-limit must provide cover to the extent that it is insured against in the commercial insurance market for a similar project; and
- (b) if the State and Project Co are unable to agree on a revised minimum sum insured or sub-limit, the Dispute may be referred by either party for resolution in accordance with the procedures in clauses 41 to 42 of this Agreement.

Summary of O&M Phase Insurances required:

- (a) Industrial Special Risks/Business Interruption Insurance;
- (b) Public and Products Liability Insurance;
- (c) O&M Phase Professional Indemnity Insurance;
- (d) Workers' Compensation Insurance; and
- (e) Motor Vehicle Insurance.

(a) **Industrial Special Risks/Business Interruption Insurance**

Insurance element	Minimum Requirement
Insured	Each of: <ul style="list-style-type: none"> <li>• Project Co;</li> <li>• Project Co Associates</li> <li>• the State;</li> <li>• State Associates;</li> <li>• the Security Trustee;</li> <li>• the O&amp;M Subcontractor; and</li> <li>• all Subcontractors and each other party which has an insurable interest or is required to be insured under any Project Document relating to the O&amp;M Activities.</li> </ul>
Sum insured	Reflecting a combined limit of no less than the aggregation of the following: <ul style="list-style-type: none"> <li>• in relation to Stage One, replacement or reinstatement value with a sum insured / limit of liability of not less than \$350,000,000 any one occurrence, which includes amounts sufficient to cover costs of demolition and removal of debris, professional fees and an amount to cover additional costs and expenses to expedite the commencement and completion of the repair, replacement or reinstatement of Stage One; and</li> <li>• Minimum of 4 Quarterly Services Payments in relation to business interruption (prior to any Abatement) and other additional amounts as specified by this Schedule.</li> </ul>
Scope of Cover	<p><b>Section 1 Material Loss or Damage</b></p> <p>Coverage for physical loss, destruction of or damage to Stage One and other property belonging to the Insured for which any Insured is responsible or has assumed responsibility to insure prior to damage occurring and in which an Insured acquires an insurable interest during the period of insurance, for its reinstatement and/or replacement value.</p> <p><b>Sub Limits:</b></p> <ul style="list-style-type: none"> <li>• Removal of debris;</li> <li>• Professional fees;</li> <li>• Accidental damage;</li> <li>• Expediting expenses;</li> <li>• Change in temperature controlled environment;</li> <li>• Property in transit (within Australia);</li> <li>• Machinery breakdown;</li> </ul>



Insurance element	Minimum Requirement
	<ul style="list-style-type: none"> <li>• Boiler and pressure vessel explosion - Replacement cost of boiler and pressure vessel (<i>This item applies to damage to the boiler only and not to resultant damage</i>);</li> <li>• Electronic data processing equipment breakdown; and</li> <li>• Fraudulent or dishonest acts.</li> </ul> <p><b>Property covered:</b>                      All property of every kind and description forming part of Stage One or as otherwise agreed between the State and Project Co.</p> <p><b>Perils covered to include at a minimum:</b></p> <ul style="list-style-type: none"> <li>• Earthquake;</li> <li>• Flood;</li> <li>• Action of the sea/tidal wave/tsunami;</li> <li>• Storm/tempest/cyclone;</li> <li>• Hail/lightning strike;</li> <li>• Landslip/earth movement;</li> <li>• Fire/explosion;</li> <li>• Impact;</li> <li>• Burglary/theft;</li> <li>• Malicious damage;</li> <li>• Riots/strikes/civil commotion; and</li> <li>• Accidental damage.</li> </ul> <p>Actual sub limits are to be as agreed with the State at the time of procuring the Industrial Special Risk/Business Interruption Insurance and will be Indexed thereafter.</p> <p><b>Section 2 Business Interruption</b>                      Coverage for Business Interruption in respect of loss of revenue and additional expenses, arising out of physical loss, destruction of or damage to Stage One, including provisions for:</p> <p><b>Sub Limits:</b></p> <ul style="list-style-type: none"> <li>• Increased costs of working;</li> <li>• Additional increased cost of working;</li> <li>• Utilities memorandum;</li> <li>• Prevention of access;</li> <li>• Suppliers;</li> </ul>

Insurance element	Minimum Requirement
	<ul style="list-style-type: none"> <li>• Human infectious disease; and</li> <li>• Professional fees/claims preparation costs.</li> </ul> <p>Actual sub limits are to be as agreed with the State at the time of procuring the Industrial Special Risk/Business Interruption Insurance and will be Indexed thereafter.</p>
Situation of risk	Anywhere in the Commonwealth of Australia (and whilst in transit).
Maximum Deductibles	<ul style="list-style-type: none"> <li>• \$[#insert] in respect of material damage; and</li> <li>• [#insert] days for [business interruption]; or</li> <li>• \$[#insert] combined deductible in respect of material damage and business interruption.</li> </ul> <p><b><i>[State Note: To be based on consideration of the successful Respondent's Proposal]</i></b></p>
Additional requirements	<ul style="list-style-type: none"> <li>• Cover for sue and labour expenses;</li> <li>• Cover for construction works;</li> <li>• Additional extra costs of reinstatement;</li> <li>• Marine Transit cover within Australia. <b><i>[State Note: International marine transit insurance is to be effected if materials are to be imported from overseas during the O&amp;M Phase.]</i></b></li> <li>• An appropriate amendment to the basis of settlement clause to clarify that the policy will cover the Abatement of Project Co's Quarterly Service Payment as a result of an insured peril;</li> <li>• An appropriate amendment to the policy will be required to clarify that (subject to overall limits, and policy terms and conditions) the State and any State Associate is entitled to be covered under this policy to the extent that the Quarterly Services Payment is not Abated as a result of an event, act, omission, fact, matter or occurrence (in whole or part) but the State or any State Associate incurs Liabilities that would otherwise be claimable under the policy, such as increased costs of working or additional increased costs of working;</li> <li>• The policy must be procured on a project specific basis; and</li> <li>• Co-insurance provisions not to apply.</li> </ul>
Period of cover	For a period of 12 months commencing on the Date of Stage One Completion, to be renewed annually until the Expiry Date.

(b) **Public and Products Liability Insurance**

Insurance element	Minimum Requirement
Insured	<p>Each of:</p> <ul style="list-style-type: none"> <li>• Project Co;</li> <li>• Project Co Associates;</li> <li>• the State</li> <li>• State Associates;</li> <li>• the Security Trustee;</li> <li>• the O&amp;M Subcontractor; and</li> <li>• all Subcontractors and each other party which has an insurable interest or is required to be insured under any Project Document relating to the O&amp;M Activities.</li> </ul>
Sum insured	<ul style="list-style-type: none"> <li>• a minimum of \$500,000,000 for any one occurrence with regards to Public Liability; and</li> <li>• \$500,000,000 for any one occurrence and in the annual aggregate for Products Liability.</li> </ul>
Scope of cover:	<p>To cover legal liability for:</p> <ul style="list-style-type: none"> <li>• Third party property damage, including property in the care, custody and control of the Insured, for which the Insured is responsible and which is not otherwise already insured for the Insured's benefit, and including resultant consequential and economic loss; and</li> <li>• Personal injury (including libel and slander), disease or death of any person including resultant consequential and economic loss,</li> </ul> <p>arising in connection with its products, the provision of the O&amp;M Activities and this Agreement during the O&amp;M Phase.</p>
Situation of risk	Anywhere in the Commonwealth of Australia (and whilst in transit).
Maximum Deductibles	\$500,000 each and every occurrence.
Additional requirements	<ul style="list-style-type: none"> <li>• The policy must be procured and maintained on a project specific basis;</li> <li>• Care custody and control;</li> <li>• Worker to worker liability;</li> <li>• Liability arising out of personal injury to contract labour hire persons;</li> <li>• Cover liability arising from construction operations on site;</li> <li>• Sudden and accidental pollution; and</li> <li>• Cover for mobile plant and equipment not required to be registered/used as a tool of trade or registered plant whilst used as a</li> </ul>

<b>Insurance element</b>	<b>Minimum Requirement</b>
	tool of trade (unless separate insurance procured for this exposure).
Period of cover	For a period of 12 months commencing on the Date of Stage One Completion, to be renewed annually until the Expiry Date.

(c) **O&M Phase Professional Indemnity Insurance**

<b>Insurance element</b>	<b>Minimum Requirement</b>
Insured	O&M Subcontractor.
Sum insured	\$20,000,000 for any claim and in annual aggregate.
Scope of cover	Covering legal liability arising from an act error or omission of the insured in relation to the performance of each Insured's professional activities and duties in connection with Stage One and the O&M Activities.
Situation of risk	Anywhere in the Commonwealth of Australia.
Retroactive date	The date that the professional activities under a contract relating to the O&M Phase commences.
Maximum Deductibles	As determined by the O&M Subcontractor.
Additional Requirements	Severability and non-imputation clauses.
Period of insurance	For a period of 12 months commencing on the Date of Stage One Completion, to be renewed annually until the Expiry Date.

(d) **Workers' Compensation and Employer's Liability Insurance**

<b>Insurance element</b>	<b>Minimum Requirement</b>
Insured	Each party is required to procure its own Workers' Compensation and Employer's Liability policy, in respect of its statutory obligations and otherwise as required by Law and commercial prudence.
Level of cover	As required by Law.
Risks covered	As required by Law.
Retroactive date	N/A
Deductibles	As required by Law.
Annual Premium	To be agreed.
Additional requirements	N/A
Period of cover	The O&M Phase.

(e) **Motor Vehicle Insurance**

Insurance element	Minimum Requirement
Party responsible for procuring the insurance	Project Co.
Insured	Each party to procure its own insurance for vehicles to be used in connection with Stage One or the O&M Activities.
Level of cover	Minimum coverage of \$30,000,000 per occurrence and in the aggregate in respect of third party property damage.
Risks covered	Third party property damage in respect of all vehicles used in connection with Stage One or O&M Activities.
Retroactive date	N/A.
Deductibles	To be agreed.
Premium	To be agreed.
Additional requirements	<ul style="list-style-type: none"> <li>• All motor vehicles must be registered currently for compulsory third party insurance as required by Law if for use on public roads; and</li> <li>• Cover for mobile plant and equipment not required to be registered or used as a tool of trade or registered plant whilst used as a tool of trade (unless separate insurance procured for this exposure or covered under the Public and Products Liability Insurance).</li> </ul>
Period of cover	The O&M Phase.